

119TH CONGRESS  
1ST SESSION

# H. R. 5878

To amend the Cranston-Gonzalez National Affordable Housing Act to encourage expansion of the supply of decent, safe, sanitary, and affordable housing, with primary attention to rental housing, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

OCTOBER 31, 2025

Mr. FLOOD (for himself and Mr. CLEAVER) introduced the following bill;  
which was referred to the Committee on Financial Services

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## A BILL

To amend the Cranston-Gonzalez National Affordable Housing Act to encourage expansion of the supply of decent, safe, sanitary, and affordable housing, with primary attention to rental housing, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “HOME Reform Act  
5       of 2025”.

1 **SEC. 2. DEFINITIONS; ASSISTANCE FOR LOW-INCOME FAMI-**  
2 **LIES.**

3 (a) DEFINITIONS.—Section 104 of the Cranston-  
4 Gonzalez National Affordable Housing Act (42 U.S.C.  
5 12704) is amended—

6 (1) in paragraph (6)(B), by striking “signifi-  
7 cant”; and

8 (2) by adding at end the following new para-  
9 graph:

10 “(26) The term ‘infill housing project’ means a  
11 residential housing project that—

12 “(A) is located within the geographic limits  
13 of a municipality;

14 “(B) is adequately served by existing utili-  
15 ties and public services as required under appli-  
16 cable law;

17 “(C) is located on a site of previously dis-  
18 turbed land of not more than 5 acres; and

19 “(D) is substantially surrounded by resi-  
20 dential or commercial development, as deter-  
21 mined by the Secretary.”.

22 (b) ASSISTANCE FOR LOW-INCOME FAMILIES.—Title  
23 II of the Cranston-Gonzalez National Affordable Housing  
24 Act (42 U.S.C. 12721 et seq.) is amended—

25 (1) in section 214(2), by striking “households  
26 that qualify as low-income families” and inserting

1 “families with a household income that does not ex-  
2 ceed 100 percent of the median family income of the  
3 area, as determined by the Secretary with adjust-  
4 ments for smaller and larger families”;

5 (2) in section 215—

6 (A) in subsection (b)(2), by striking  
7 “whose family qualifies as a low-income family”  
8 and inserting “with a family income that does  
9 not exceed 100 percent of the median family in-  
10 come of the area as determined by the Sec-  
11 retary with adjustments for smaller and larger  
12 families”; and

13 (B) in subsection (b)(3)(A)(ii), by striking  
14 “low-income homebuyers” and inserting “home-  
15 buyers with a household income that does not  
16 exceed 100 percent of the median family income  
17 of the area, as determined by the Secretary  
18 with adjustments for smaller and larger fami-  
19 lies”; and

20 (3) in section 271(c)—

21 (A) in paragraph (1)(B), by striking “low-  
22 income” and inserting “families with a house-  
23 hold income that does not exceed 100 percent  
24 of the median family income of the area as de-

1           terminated by the Secretary with adjustments for  
2           smaller and larger families”; and

3                   (B) in paragraph (2)(A), by striking “low-  
4           income families” and inserting “families with a  
5           household income that does not exceed 100 per-  
6           cent of the median family income of the area as  
7           determined by the Secretary with adjustments  
8           for smaller and larger families”.

9   **SEC. 3. CHOICES MADE BY PARTICIPATING JURISDICTIONS.**

10       Section 212(a)(2) of the Cranston-Gonzalez National  
11   Affordable Housing Act (42 U.S.C. 12742) is amended to  
12   read as follows:

13               “(2) LIMITATION ON RESTRICTIONS.—The Sec-  
14   retary shall not restrict a participating jurisdiction’s  
15   choice of rehabilitation, substantial rehabilitation,  
16   new construction, reconstruction, acquisition, or  
17   other eligible housing use unless such restriction is  
18   explicitly authorized under section 223(2).”.

19   **SEC. 4. USE OF AMOUNTS BY CERTAIN JURISDICTIONS FOR**  
20               **INFRASTRUCTURE IMPROVEMENTS.**

21       (a) USE OF INVESTMENTS FOR HOUSING USES.—

22               (1) IN GENERAL.—Section 212(a) of the Cran-  
23   ston-Gonzalez National Affordable Housing Act (42  
24   U.S.C. 12742(a)) is amended by inserting after  
25   paragraph (3) the following new paragraph:

1           “(4)   INFRASTRUCTURE   IMPROVEMENTS   IN  
2   NONENTITLEMENT AREAS.—

3           “(A)   IN GENERAL.—In accordance with  
4           regulations to be issued by the Secretary, funds  
5           provided under this subtitle may be used for in-  
6           frastructure improvements, including the instal-  
7           lation or repair of water and sewer lines, side-  
8           walks, roads, and utility connections, in any ju-  
9           risdiction that does not receive assistance under  
10          title I of the Housing and Community Develop-  
11          ment Act of 1974, if such improvements are di-  
12          rectly related to, and located within or imme-  
13          diately adjacent to—

14               “(i) housing assisted under this sub-  
15               title; or

16               “(ii) housing assisted by section 42 of  
17               the Internal Revenue Code of 1986.

18          “(B)   APPLICATION OF LABOR STAND-  
19          ARDS.—The labor standards and requirements  
20          set forth in section 110 of the Housing and  
21          Community Development Act of 1974 (42  
22          U.S.C. 5310) shall apply to any infrastructure  
23          improvements assisted with funds provided  
24          under this subtitle.”.

1           (2) ISSUANCE OF RULES.—Not later than 1  
 2       year after the date of the enactment of this Act, the  
 3       Secretary shall issue such rules as the Secretary de-  
 4       termines necessary to carry out the amendment  
 5       made by paragraph (1).

6           (3) RULE OF CONSTRUCTION.—Nothing in the  
 7       amendment made by paragraph (1) shall be con-  
 8       strued to impose any requirements of the HOME In-  
 9       vestment Partnerships program on housing that ben-  
 10      efits from the infrastructure improvements described  
 11      in such amendment but otherwise does not receive  
 12      any assistance from such program.

13       (b) PER UNIT INVESTMENT LIMITATIONS.—Section  
 14   212(e)(1) of the Cranston-Gonzalez National Affordable  
 15   Housing Act (42 U.S.C. 12742(e)(1)) is amended by strik-  
 16   ing the second sentence.

17   **SEC. 5. AFFORDABLE RENTAL HOUSING QUALIFICATIONS.**

18       Section 215(a) of the Cranston-Gonzalez National  
 19   Affordable Housing Act (42 U.S.C. 12745(a)) is amended  
 20   by adding at the end the following new paragraph:

21           “(7) EXCEPTION FOR HOUSING CHOICE VOUCH-  
 22      ERS.—Notwithstanding paragraph (1)(A), a rental  
 23      unit shall be considered to qualify as affordable  
 24      housing under this title if—

1 “(A) the unit is occupied by a tenant re-  
 2 ceiving tenant-based rental assistance under  
 3 section 8 of the United States Housing Act of  
 4 1937 (42 U.S.C. 1437f);

5 “(B) the tenant’s contribution toward rent  
 6 does not exceed the amount permitted under  
 7 such section 8 assistance; and

8 “(C) the total rent for the unit does not  
 9 exceed the amount approved by the public hous-  
 10 ing agency administering the assistance under  
 11 that program.”.

12 **SEC. 6. AFFORDABLE HOMEOWNERSHIP HOUSING QUALI-**  
 13 **FICATIONS.**

14 Section 215 of the Cranston-Gonzalez National Af-  
 15 fordable Housing Act (42 U.S.C. 12745(b)) is amended—

16 (1) in subsection (b),

17 (A) in paragraph (1), by striking “95 per-  
 18 cent” and inserting “110 percent”;

19 (B) in paragraph (3)—

20 (i) in subparagraph (A)(ii), by strik-  
 21 ing “or” at the end;

22 (ii) in subparagraph (B), by striking  
 23 “and” at the end and inserting “or”; and

24 (iii) by adding at the end the fol-  
 25 lowing new subparagraph:

1           “(C) maintain long-term affordability  
 2           through a shared equity ownership model, a  
 3           community land trust, a limited equity coopera-  
 4           tive, a community development corporation, or  
 5           other mechanism approved by the Secretary,  
 6           that preserves affordability for future eligible  
 7           homebuyers and ensures compliance with the  
 8           purposes of this title, including through the use  
 9           of purchase options, rights of first refusal or  
 10          other preemptive rights to purchase housing;  
 11          and”;

12          (2) by adding at the end the following:

13          “(c) PERMISSIBLE EXCEPTIONS RELATED TO HOME-  
 14          OWNERSHIP QUALIFICATIONS.—

15               “(1) MILITARY MEMBERS.—A participating ju-  
 16          risdiction, in accordance with terms established by  
 17          the Secretary, may suspend or waive the income  
 18          qualifications described in subsection (b)(2) with re-  
 19          spect to housing that otherwise meets the criteria  
 20          under subsection (b) if the owner of the housing—

21               “(A) is a member of a regular component  
 22          of the armed forces or a member of the Na-  
 23          tional Guard on full-time National Guard duty,  
 24          active Guard and Reserve duty, or inactive-duty

1 training (as those terms are defined in section  
2 101(d) of title 10, United States Code); and

3 “(B) has received—

4 “(i) temporary duty orders to deploy  
5 with a military unit or military orders to  
6 deploy as an individual acting in support of  
7 a military operation, to a location that is  
8 not within a reasonable distance from the  
9 housing, as determined by the Secretary,  
10 for a period of not less than 90 days; or

11 “(ii) orders for a permanent change of  
12 station.

13 “(2) SUSPENSION OR WAIVER OF REQUIRE-  
14 MENTS FOR HEIR OR BENEFICIARY OF DECEASED  
15 OWNER.—Notwithstanding subsection (b)(3), hous-  
16 ing that meets the criteria under that subsection  
17 prior to the death of an owner may continue to qual-  
18 ify as affordable housing if—

19 “(A) the housing is the principal residence  
20 of an heir or beneficiary of the deceased owner,  
21 as defined by the Secretary; and

22 “(B) the heir or beneficiary, in accordance  
23 with terms established by the Secretary, as-  
24 sumes the duties and obligations of the de-

1           ceased owner with respect to funds provided  
2           under this title.”.

3 **SEC. 7. REMOVAL OF EXPIRATION OF RIGHT TO DRAW**  
4 **HOME INVESTMENT TRUST FUNDS.**

5           Section 218 of the Cranston-Gonzalez National Af-  
6 fordable Housing Act (42 U.S.C. 12748) is amended—

7           (1) by striking subsection (g); and

8           (2) by redesignating subsection (h) as sub-  
9           section (g).

10 **SEC. 8. ADJUSTED RECAPTURE AND REUSE OF SET-ASIDE**  
11 **FOR COMMUNITY HOUSING DEVELOPMENTAL**  
12 **ORGANIZATIONS.**

13           Section 231(b) of the Cranston-Gonzalez National  
14 Affordable Housing Act (42 U.S.C. 12771(b)) is amended  
15 to read as follows:

16           “(b) RECAPTURE AND REUSE.—If any funds re-  
17 served under subsection (a) remain uninvested for a period  
18 of 24 months, the Secretary shall make such funds avail-  
19 able to the participating jurisdiction for any eligible activi-  
20 ties under title II of this Act without regard to whether  
21 a community housing development organization materially  
22 participates in the use of funds.”.

1 **SEC. 9. ASSET RECYCLING INFORMATION DISSEMINATION**  
2 **EXPANSION.**

3 Section 245(b)(2) of the Cranston-Gonzalez National  
4 Affordable Housing Act (42 U.S.C. 12785(b)(2)) is  
5 amended by striking “95 percent” and inserting “110 per-  
6 cent”.

7 **SEC. 10. ENVIRONMENTAL REVIEW REQUIREMENTS.**

8 (a) CATEGORICAL EXEMPTIONS; REMOVING DUPLI-  
9 CATIVE REVIEWS.—Section 288 of the Cranston-Gonzalez  
10 National Affordable Housing Act (42 U.S.C. 12838) is  
11 amended by adding at the end the following new sub-  
12 sections:

13 “(e) CATEGORICAL EXEMPTIONS.—The following  
14 categories of activities carried out under this title shall  
15 be statutorily exempt from environmental review under the  
16 National Environmental Policy Act of 1969 (42 U.S.C.  
17 4321 et seq.), and shall not require further review under  
18 such Act—

19 “(1) new construction infill housing projects;

20 “(2) acquisition of real property for affordable  
21 housing purposes;

22 “(3) rehabilitation projects carried out pursuant  
23 to section 212(a)(1); and

24 “(4) new construction projects of 15 units or  
25 less.

26 “(f) REMOVING DUPLICATIVE REVIEWS.—

1           “(1) IN GENERAL.—To the extent practicable  
2           and permitted by law, the Secretary shall ensure  
3           that a project that has undergone an environmental  
4           review under this section shall not be subject to a  
5           duplicative environmental review solely due to the  
6           addition, substitution, or reallocation of other  
7           sources of Federal assistance, if the scope, scale, and  
8           location of the project remain substantially un-  
9           changed.

10           “(2) COORDINATION OF ENVIRONMENTAL RE-  
11           VIEW RESPONSIBILITIES.—The Secretary shall, by  
12           regulation, provide for coordination of environmental  
13           review responsibilities with other Federal agencies to  
14           streamline inter-agency compliance and avoid unnec-  
15           essary duplication of effort under the National Envi-  
16           ronmental Policy Act of 1969 (42 U.S.C. 4321 et  
17           seq.) and other applicable laws.

18           “(3) RECOGNITION OF PRIOR REVIEWS BY RE-  
19           SPONSIBLE ENTITIES.—A project may not be subject  
20           to an environmental review under this section if a  
21           substantially similar review has already been com-  
22           pleted by an entity designated under section  
23           104(g)(1) of the Housing and Community Develop-  
24           ment Act of 1974 (42 U.S.C. 5304(g)(1)) or by an-  
25           other entity the Secretary determines to have equiv-

1       alent authority, if the scope, scale, and location of  
2       the project remain substantially unchanged.”.

3       (b) ISSUANCE OF RULES.—Not later than 1 year  
4       after the date of the enactment of this Act, the Secretary  
5       shall issue such rules as the Secretary determines nec-  
6       essary to carry out the amendment made by this sub-  
7       section.

8       **SEC. 11. APPLICATION OF OTHER SPECIFIED STATUTORY**  
9                                   **REQUIREMENTS.**

10       Title II of the Cranston-Gonzalez National Affordable  
11       Housing Act (42 U.S.C. 12721 et seq.) is amended by  
12       adding at the end the following new sections:

13       **“SEC. 291. APPLICATION OF BUILD AMERICA, BUY AMERICA**  
14                                   **REQUIREMENTS.**

15       “With respect to activities assisted under this title,  
16       requirements under the Build America, Buy America Act  
17       (41 U.S.C. 8301 note) and any implementing regulations  
18       or guidance, shall only apply to infrastructure improve-  
19       ments conducted under section 212(a)(4) using funds pro-  
20       vided under subtitle A.

21       **“SEC. 292. NONAPPLICABILITY OF CERTAIN REQUIRE-**  
22                                   **MENTS FOR SMALL PROJECTS.**

23       “Notwithstanding any other provision of law, the re-  
24       quirements of section 3 of the Housing and Urban Devel-  
25       opment Act of 1968 (12 U.S.C. 1701u), and any imple-

1 menting regulations or guidance, shall not apply to any  
 2 activity assisted under title that involves rehabilitation,  
 3 construction, or other development of housing if the total  
 4 number of dwelling units assisted under the activity is 50  
 5 or fewer and if such assistance is provided to—

6 “(1) a State recipient pursuant to section 216;

7 or

8 “(2) a participating jurisdiction that received a  
 9 total allocation of less than \$3,000,000 in the most  
 10 recent fiscal year pursuant to section 216.”.

11 **SEC. 12. TECHNICAL AMENDMENTS.**

12 The Cranston-Gonzalez National Affordable Housing  
 13 Act (42 U.S.C. 12701 et seq.) is amended—

14 (1) by striking “Stewart B. McKinney Home-  
 15 less Assistance Act” each place it appears and in-  
 16 serting “McKinney-Vento Homeless Assistance Act”;  
 17 and

18 (2) by striking “Committee on Banking, Fi-  
 19 nance and Urban Affairs” each place it appears and  
 20 inserting “Committee on Financial Services”.

○